

**GEORGE MASON UNIVERSITY  
FAIRFAX, VIRGINIA**

**INTERCOLLEGIATE ATHLETIC PROGRAMS  
FOR THE YEAR ENDED  
JUNE 30, 2001**



- TABLE OF CONTENTS -

Pages

Independent Auditor's Report on Application of Agreed-Upon Procedures

SCHEDULE:

Schedule of Receipts and Disbursements of Intercollegiate Athletic Programs

Notes to the Schedule of Receipts and Disbursements of Intercollegiate  
Athletic Programs

UNIVERSITY OFFICIALS

March 22, 2002

The Honorable Mark R. Warner  
Governor of Virginia

The Honorable Vincent F. Callahan, Jr.  
Chairman, Joint Legislative Audit  
and Review Commission

Dr. Alan G. Merten  
President, George Mason University

INDEPENDENT AUDITOR'S REPORT ON APPLICATION OF  
AGREED-UPON PROCEDURES

We have audited the financial statements of **George Mason University** as of and for the year ended June 30, 2001, and have issued our unqualified report thereon dated March 22, 2002. At the request of the President of the University, we have also performed certain agreed-upon procedures as discussed below, to the University's Intercollegiate Athletic Programs for the fiscal year ended June 30, 2001, solely to assist the University in complying with National Collegiate Athletic Association (NCAA) Constitution 6.2.3.1. The University is responsible for the Intercollegiate Athletics Programs including preparation of the Schedule of Revenues and Expenditures of Intercollegiate Athletic Programs. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the University. Consequently, we make no representation regarding sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Schedule of Receipts and Disbursements of Intercollegiate  
Athletic Programs - Agreed-Upon Substantive Procedures

- a. We obtained the Schedule of Receipts and Disbursements of Intercollegiate Athletic Programs (the Schedule) for the year ended June 30, 2001, as prepared by the University and shown in this report. We recalculated the addition of the

amounts on the Schedule, traced the amounts on the Schedule to management's worksheets and agreed the amounts on management's worksheets to the Intercollegiate Athletics Department's accounts in the accounting records. We noted no differences between the amounts in the Intercollegiate Athletic Department's accounts in the accounting records and the amounts on the worksheets. We discussed the nature of worksheet adjustments with management and are satisfied that the adjustments are appropriate.

- b. We applied certain analytical review techniques to the balances reported on the Schedule in order to determine the reasonableness of amounts reported therein. These techniques included trend analyses and other tests using operating data and reviews of actual amounts expended in comparison to budgeted amounts.
- c. We vouched each individual contribution received directly by the University for its intercollegiate athletic programs that constituted more than ten percent of the contributions so received. Except for contributions received from George Mason University Foundation, an affiliated organization, we noted no individual contribution that constituted more than ten percent of total contributions received for intercollegiate athletics.

Because the above procedures "a" through "c" do not constitute an audit made in accordance with generally accepted auditing standards, we do not express an opinion on the Schedule of Revenues and Expenditures of Intercollegiate Athletic Programs or any of the accounts or items referred to above. In connection with the procedures referred to above, no matters came to our attention that caused us to believe that the specified accounts or items should be adjusted. Had we performed additional procedures or had we made an audit of any financial statements of the intercollegiate athletic programs of George Mason University in accordance with generally accepted auditing standards, matters might have come to our attention that would have been reported to the President of the University. This report relates only to the accounts and items specified above and does not extend to the financial statements of George Mason University or its intercollegiate athletic programs taken as a whole.

#### Internal Control Related to Intercollegiate Athletic Programs - Agreed-Upon Procedures

The management of George Mason University is responsible for establishing and maintaining internal control for its intercollegiate athletic programs. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls. The objectives of internal control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Because of inherent limitations in any internal control, errors or irregularities may occur and not be detected. Also, projection of any evaluation of internal control to future periods is subject to the risk that procedures may become inadequate because of changes in conditions, or that the degree of compliance with the procedures may deteriorate. Our procedures and findings are as follows:

- d. We reviewed an organizational chart provided by the Intercollegiate Athletic Department and discussed it with appropriate personnel. We reviewed

documentation of accounting systems and operating procedures. We also made certain inquiries of management regarding control consciousness, the use of internal audit in the department, competence of personnel, and protection of records and equipment.

- e. We reviewed internal control over cash receipts and disbursements, including payroll, for the intercollegiate athletic programs. We reviewed the relationship of internal control over intercollegiate athletic programs to internal control reviewed in connection with the audit of the University's financial statements. Our review also included those controls unique to intercollegiate athletics that have not been reviewed in connection with the audit of the financial statements.
- f. We reviewed the University's procedures for monitoring booster group activities and concluded that those procedures were adequate.

Agreed-upon procedures "d" through "f" applied to certain aspects of the University's internal control were more limited than would be necessary to express an opinion on internal control of George Mason University in effect for the year ended June 30, 2001, taken as a whole. Because our review and evaluation was limited to applying those agreed-upon procedures, we do not express such an opinion. In connection with applying procedures "d" through "f" above, we noted no material weaknesses relating to internal control over the intercollegiate athletic program activities administered by the University.

This report is intended solely for the use of the George Mason University and authorized representatives of the National Collegiate Athletic Association and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

AUDITOR OF PUBLIC ACCOUNTS

WHC:whb  
whb:41

## **SCHEDULE**

GEORGE MASON UNIVERSITY  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS OF  
INTERCOLLEGIATE ATHLETIC PROGRAMS  
For the Year Ended June 30, 2001

	Administrative and General	Men's Basketball	Women's Basketball
Operating receipts:			
University fee allocation	\$ 6,186,887	\$ -	\$ -
Ticket sales and entry fees	-	189,101	12,978
Advertising	-	-	-
Other sales/services	483,792	-	-
NCAA distribution of revenue	-	-	-
Share of arena revenue	-	-	-
Gift - GMU Foundation	83,000	-	-
Total Operating Receipts	6,753,679	189,101	12,978
Operating disbursements:			
Personal services and fringe benefits	997,168	466,302	282,301
Travel, administrative and team	19,579	85,248	75,896
Recruiting expenses	-	82,289	49,128
Contractual services	93,730	116,061	32,233
Supplies	25,664	71,705	22,823
Equipment	3,423	24,459	500
Current charges and obligations	34,809	-	98
Financial aid	-	233,882	259,392
Total Operating Disbursements	\$ 1,174,373	\$ 1,079,946	\$ 722,371

Deficiency of Receipts under Disbursements

Cash Deficit at Beginning of Year

Cash Deficit at End of Year

\*Other includes baseball, golf, softball, lacrosse, tennis, trap and skeet, volleyball, wrestling, crew, invitationals, and tournaments

The accompanying Notes to the Schedule of Revenues and Expenditures of Intercollegiate Athletics Programs are an integral part of the Schedule.

Men's Track	Women's Track	Men's Soccer	Women's Soccer	Other Sports *	Non- Program Specific	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,186,887
15,425	-	3,125	2,124	38,001	6,371	267,125
-	-	-	-	-	131,311	131,311
-	-	-	-	-	4,431	488,223
-	-	-	-	-	269,094	269,094
-	-	-	-	-	652,478	652,478
-	-	-	-	-	-	83,000
15,425	-	3,125	2,124	38,001	1,063,685	8,078,118
119,449	120,244	156,599	116,624	640,508	1,083,576	3,982,771
83,659	68,705	39,816	38,881	271,198	59,644	742,626
16,036	21,629	19,752	11,354	32,361	-	232,549
7,084	5,031	8,120	4,694	68,811	224,885	560,649
21,583	21,387	7,586	5,277	138,294	205,068	519,387
-	-	-	-	32,630	9,007	70,019
-	-	-	-	19,550	27,614	82,071
216,255	165,894	136,347	204,723	871,102	14,230	2,101,825
\$ 464,066	\$ 402,890	\$ 368,220	\$ 381,553	\$ 2,074,454	\$ 1,624,024	8,291,897

(213,779)

(382,325)

\$ (596,104)



GEORGE MASON UNIVERSITY  
NOTES TO THE SCHEDULE OF RECEIPTS AND DISBURSEMENTS OF  
INTERCOLLEGIATE ATHLETIC PROGRAMS

AS OF JUNE 30, 2001

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Receipts and Disbursements of Intercollegiate Athletic Programs has been prepared on the cash basis of accounting. The Schedule's purpose is to present a summary of cash basis receipts and disbursements of the University's intercollegiate athletic programs (including amounts expended on behalf of the University by the George Mason University Foundation, Inc.) for the year ended June 30, 2001. Because the Schedule presents only a selected portion of the University's activities, it is not intended to and does not present either the financial position, changes in fund balances, or current funds revenues and other additions, expenditures, transfers, and other deductions for the year then ended. Disbursements are directly identifiable with each category presented and reported accordingly. Receipts, except for ticket sales/entry fees, are not allocated to each category and are reported in the "Administrative and General" and "Non-Program Specific" categories.

NOTE 2 - AFFILIATED ORGANIZATIONS

The Schedule does not include transactions of the Patriot Club of George Mason University Foundation, Inc. This Foundation was organized for fund-raising activities that either support the University or benefit specific schools. The Foundation gave the University \$83,000 for athletic scholarships during the fiscal year ended June 30, 2001.

GEORGE MASON UNIVERSITY  
Fairfax, Virginia

BOARD OF VISITORS

Honorable Edwin Meese III, Rector

W. Scott McGeary, Vice Rector

Horace Cooper, Secretary

Mel Chaskin	Manuel H. Johnson
Sydney O. Dewberry	Dr. William Kristol
Edwin J. Feulner, Jr.	Robert Scott LaRose
Richard H. Fink	Robert Lauterberg
Dorothy Gray	James C. Miller, III
James Hazel	Leonard Pomata
John F. Herrity	Sarah Streett - Student Representative

ADMINISTRATIVE OFFICERS

Dr. Alan G. Merten, President

Dr. Maurice W. Scherrens, Senior Vice President

Thomas O'Connor, Athletic Director

Jeanne Medford, Assistant Athletic Director for Finance